GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2165
ANSWERED ON:30.11.2007
CREDIT FLOW IN SMALL SCALE INDUSTRIES
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Will the Minister of FINANCE be pleased to state:

(a) whether the Government proposes to formulate any scheme to increase the credit flow to the Small Scale Industries;

(b) if so, the details thereof;

(c) the loans granted by Public Sector Banks to SSIs in each State particularly in Andhra Pradesh during the last two years; and

(d) the target set for providing loans to SSIs during the current year?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)

(a) & (b): For stepping up credit to Small and Medium Enterprises (SMEs), Government of India had announced a Policy Package in Parliament on August 10, 2005 advising all Scheduled Commercial Banks including Public Sector Banks to fix their own targets for funding SMEs in order to achieve a minimum 20% year-on-year growth in credit to the SME sector. The Public Sector Banks have shown a 25.81% year on year growth in credit outstanding to the SME Sector for the year 2006-07 over the year 2005-06.

(c): The State-wise amount of loans granted by Public Sector Banks to Small Scale Industries during the years 2005 and 2006 is given at Annexure.

(d): There is no separate target for SSI sector. However, all Scheduled Commercial Banks including Public Sector Banks have been advised to fix their own targets to achieve a minimum 20% year-on- year growth in credit to the SME sector.